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## Transportation Committee

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### ESSB 6787

**Brief Description:** Providing funding for local government passenger ferry service.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Rockefeller, Poulsen, Haugen and Oke).

#### Brief Summary of Engrossed Substitute Bill

- Requires the State Treasurer to transfer quarterly an amount equal to the amount of state sales and use tax paid by the Washington State Ferries into the passenger ferry account.
- Requires the Department of Transportation to sell or otherwise dispose of the state passenger ferries Snohomish and Chinook and deposit the proceeds into the passenger ferry account.
- Allows King County to assume passenger-only ferry service among Southworth, Vashon, and Seattle if it provides passenger-only service at a level that meets or exceeds existing service.
- Allows a local government to assume the Vashon to Seattle passenger-only ferry route if it provides passenger-only service at a level that meets or exceeds existing service.
- Requires the County Road Administration Board to establish a local government ferry grant program for which the Washington Ferry Systems is also eligible for the Vashon to Seattle passenger only ferry route.
- Broadens county ferry district statutes so that districts may be formed in any county and provide any form of ferry service.

**Hearing Date:**

**Staff:** David Munnecke (786-7315).

**Background:**

In general, fuel used for purposes other than for the propulsion of a motor vehicle on public highways is not subject to the state motor vehicle fuel tax or special fuel tax. However, such fuel is subject to the state retail sales and use tax. The Washington State Ferry System (WSF) currently pays the state retail sales and use tax on the fuel used for propelling ferries.

There are currently four counties that operate ferries: Skagit, Pierce, Whatcom, and Wahkiakum.

The WSF currently operates a passenger-only ferry route between Vashon Island and Seattle.

**Summary of Bill:**

The Department of Transportation (WSDOT) is required to notify the State Treasurer of the amount of state sales and use tax paid by the WSF on the purchase of fuel for the preceding calendar quarter. The State Treasurer is required to transfer quarterly an amount equal to the amount indicated by the WSDOT into the passenger ferry account.

By April 1, 2007, WSDOT is required to sell or otherwise dispose of the state passenger ferries Snohomish and Chinook and deposit the proceeds of the sales into the passenger ferry account.

King County may assume passenger-only ferry service among Southworth, Vashon, and Seattle if it creates a ferry district, provides passenger-only service at a level that meets or exceeds existing service, and assumes any existing labor contract governing service on the Vashon to Seattle passenger-only ferry route. A local government may assume the Vashon to Seattle passenger-only ferry route if it provides passenger-only service at a level that meets or exceeds existing service and assumes any existing labor contract governing service on the Vashon to Seattle passenger-only ferry route.

The County Road Administration Board (CRAB) is required to establish a local government ferry grant program. Eligible for the grants are counties, county ferry districts, and/or a public Transportation Benefit District operating or contracting for ferry service. Also eligible is the Washington Ferry Systems operation of the Vashon to Seattle passenger only ferry route. Priority must be given to grant applicants that provide continuity of existing passenger-only service and provide local or federal matching funds.

The county ferry district statutes are broadened so that districts may be formed in any county. In addition, the county ferry district statutes apply to all ferries and not just passenger-only ferries.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.